Republic of the Union of Myanmar Investment Commission
Sr. No. 11553 E
Dated 29.10.2012

Form (2)

The Myanmar Investment Commission

PERMIT

Permit No. 505/2012

Date: 29 October 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter Mr. Yun Jong Seol

(b) Citizenship Korean

(c) Address No.101-601 Lotte, Apartment 72, Pyeong Chang-Dong, Jongro-Gu, Seoul, Korea

(d) Name and Address of principal organization

(e) Place of incorporation

(f) Type of business in which investment is to be made Manufacturing and Marketing of Concrete Bricks & Blocks

(g) Place(s) at which investment is permitted No.(298) Marlar Myaing Street, Industrial Zone, Thakata Township, Yangon Region

(h) Amount of foreign capital US$ 0.550 million

(i) Period for bringing in foreign capital Within one year from the date of issuance of MIC permit

(j) Total amount of capital (Kyat Equivalent in kyat of US$ 0.55 million

(k) Permitted duration of investment 15 Years

(l) Name of the economic organization to be formed in Myanmar MK Housing Company Limited

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၀၅ /၂၀၁၂

၂၀၁၂ ခုနှစ်၊ အောက်တိုဘာလ ၂၈ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် Mr. Yun Jong Seol

(ခ) မည်သည့် နိုင်ငံသား Korean

(ဂ) နေရပ်လိပ်စာ No.101-601 Lotte, Apartment 72, Pyeong Chang-Dong, Jongro- Gu, Seoul, Korea

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ

(င) ဖွဲ့စည်းရာအရပ်

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ကွန်ကရစ်အုတ်နှင့် ဘလောက်တုံး ထုတ်လုပ်ခြင်းနှင့် ဖြန့်ဖြူး ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၂၉၈ ၊ မာလာမြိုင်လမ်း၊ စက်မှုဇုန်ရပ်ကွက်၊ သာကေတမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၀.၅၅၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး (၁)နှစ် အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၀.၅၅၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၅နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် MK Housing Company Limited

ဥက္ကဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-703 / 2012(11557E)
Dated : 29 October, 2012

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Concrete Brick & Blocks" under the name of MK Housing Company Limited.**

Reference: MK Housing Company Limited Letter dated (20-9-2012)

1. The Myanmar Investment Commission, at its meeting (31/2012) held on (17-10-2012) had approved the proposal for investment in "Manufacturing of Concrete Brick & Blocks" under the name of "MK Housing Company Limited" submitted by Mr. Yun Jong Seol 51% and Mr. Kim Soonki 49% from Republic of Korea as a wholly owned foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15 (Fifteen) years commencing from the date of signing of the land lease Agreement and extendible for another 5 (Five) years two times period by mutual agreement between both parties. At the end of the Lease Agreement, MK Housing Company Limited shall transfer the building and rental materials , on the existing terms & conditions, wherein Lessor shall agree and countersign, in mutually agreed condition, without any payment, within three months from the expiry date of the lease agreement.

4. The annual rent for the land shall be US$ 12,000 (United State Dollar TwelveThousand) calculated at the rate of US$ 4.073 per square meter per annum on the leased land area of 0.728 acres (2,946 square meter.) The rate of rent shall be revised in view of prevailing land lease rates after every five years period and increase of the rent shall not be more than 10 % (ten percent) of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted, amongst the followings, exemptions and reliefs as per Section 21(a),(i) and (j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested there in within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the .purpose of income- tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, following a 3-year tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. MK Housing Company Limited shall have to sign the Lease Agreement with U Kyaw Kyaw Oo (12/ Pa Za Ta (Naing) 018143)and MK Housing Co., Ltd. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

7. MK Housing Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. MK Housing Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. MK Housing Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. MK Housing Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provisions under Section-24 the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section – 2(h) of the said Law, other than foreign currency.

13. Whenever MK Housing Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 12(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

15. MK Housing Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. MK Housing Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. MK Housing Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. MK Housing Company Limited shall follow the procedures prescribe by the Commission, vide letter No. Ya Ka-7/408/94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment .

19. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the official foreign exchange earnings of MK Housing Company Limited.

20. MK Housing Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the Procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)

Chairman

MK Housing Company Limited

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Construction
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour
11. Ministry of Electric Power
12. Director General, Directorate of Investment and Company Administration
13. Director General, Customs Department
14. Director General, Internal Revenue Department
15. Managing Director, Myanma Foreign Trade Bank
16. Managing Director, Myanma Investment and Commercial Bank
17. Managing Director, Myanma Insurance
18. Managing Director, Myanma Electric Power Enterprise
19. Director General, Directorate of Trade

20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)